

TRANSMITTAL



Capital investment continues to renew and improve the City of Greenville. The FY 2011-15 Capital Improvement Program continues the commitment to a healthy and vibrant City by investing in infrastructure, development opportunities, and community facilities.





City of Greenville, South Carolina

March 1, 2010

The Honorable Knox H. White, Mayor
Members of City Council

Dear Mayor White and City Council Members:

The Proposed FY 2011-15 Capital Improvement Program (CIP) is presented for your review and includes the proposed capital budget of \$25,191,507 for FY 2010-11.

The Capital Improvement Program is a five-year fiscal planning instrument that is used to identify needed capital projects and to identify the financing and timing required for those projects. Generally, these projects exceed \$100,000 in cost and require long-term financing. The capital budget is proposed annually, encompassing appropriations for the projects scheduled for the first year of the plan, and authorizing any bond issues necessary to fund these improvements. The next four years are considered "planning" years and are subject to annual appropriation. We used the projections developed from the Five-Year Forecast presented to City Council during its annual retreat, and the funding structure of the CIP has been shaped by the availability of funds projected within the Five-Year Forecast.

Leadership Team Review and Ranking

A Leadership Team sub-committee reviewed all projects requesting new funding. They were asked to evaluate projects based on how they met the criteria below.

Does the project:

- *Mitigate Risk to Public Safety or Health?*
- *Improve Deteriorated Infrastructure?*
- *Replace Existing Infrastructure Systematically?*
- *Improve Operational Efficiency?*
- *Coordinate with Other Projects and Requirements?*
- *Provide Equitable Services and Facilities?*
- *Protect and Conserve Resources?*
- *Provide New or Substantially Expanded Facilities?*
- *Promote Economic Development?*

After reviewing and discussing the project, they grouped each project into one of the following four categories:

- *Group A:* Critical priority projects that should be done if at all possible; a special priority should be made to find sufficient funding for all projects in this group.
- *Group B:* High priority projects that should be done as funding becomes available.
- *Group C:* Medium priority projects to be considered if funding is available; may be deferred to a subsequent year.
- *Group D:* Low priority project; desirable, but not essential.

Using those rankings, the Office of Management and Budget sought to fund projects based on the priorities

recommended by the committee. However, there may be instances where a lower ranked project received funding above a higher ranked project. This is largely due to either pre-existing commitments or the availability of funding. For example, a Group C project with a contractual development agreement commitment may be funded over a Group B project. Similarly, should a project be eligible for restricted funding (i.e. Hospitality Tax), it may have been funded over a project ineligible for restricted funds.

Strategic Goals and the Comprehensive Plan

As we did last year, we have linked the strategic goals derived from the City Council's vision and developed as part of the performance measurement project. You will note on each project submission that we have identified which goal the project helps the City attain (summarized in Schedule VI). The goals are:

Greenville is a SAFE CITY where citizens and visitors are safe and feel confident that a response will be there at all times.

Greenville is a SUSTAINABLE CITY that protects and conserves its water, air, and green space, and promotes public health and wellbeing.

Greenville is a PROSPEROUS CITY that promotes the expansion of economic activity in its downtown and commercial corridors, fosters a healthy climate for new and existing businesses, and provides economic opportunities for all residents.

Greenville is a CITY OF NEIGHBORHOODS with quality housing for all incomes and engaged communities.

Greenville is a MOBILE CITY with a comprehensive transportation network that allows connectivity through multi-modal options.

Greenville is a CITY OF CULTURE AND RECREATION with an emphasis on the arts, recreation opportunities, and community events.

Greenville is an INCLUSIVE CITY that celebrates diversity from a variety of backgrounds and cultures, and supports our children, families, and seniors.

As an addition to this year's CIP, each project is linked to one of the Comprehensive Plan's principles. This will help elaborate how the CIP will help the City accomplish its long-term goals for land-use and community facilities. We have summarized this in Schedule VII by identifying which projects meet particular Comprehensive Plan principles. As was done last year, the CIP will be reviewed by the Planning Commission to determine if the CIP is compliance with the Comprehensive Plan.

Major Points of Interest - Revenues

- The capital budget for the FY 2009-10 is \$25,191,507.
- The CIP calls for nine debt issuances over the five-year period.
 - FY 2010-11: The CIP includes five issuances: a \$7,300,000 installment lease purchase agreement for the City Operations Center, a \$3,450,000 stormwater revenue bond for improvements in the Henderson Basin, a \$3,030,000 performance contract for energy efficiency improvements, a \$700,000 property sale anticipation bond, and an additional \$550,000 in authority to the previously authorized \$1,400,000 in loans from the State Clean Water Revolving Loan Fund to finance sewer improvement projects at Faris Circle and Haynie-Sirrine.
 - FY 2011-12: The CIP includes three issuances: a \$3,787,000 certificate of participation to extend the Reedy River trail from Pleasantburg Drive to I-85 and for improvements at the Carolina First Center; a \$2,700,000 General Obligation bond for the East Area Fire Station (to offset the cancelled 2010 issuance); and a \$1,500,000 loan from the State Clean Water Revolving Loan Fund for additional sewer improvements at Haynie-Sirrine.

- FY 2013-14: The CIP includes a \$2,000,000 loan from the State Clean Water Revolving Loan Fund to finance Phase II Sewer Improvements.
- A General Fund Transfer of \$150,000 is included for FY 2011-11; and \$1,045,000 is allocated in FY 2011-12, \$1,245,000 is allocated in FY 2012-13, \$1,195,000 is allocated in FY 2013-14, and \$1,045,000 is allocated in FY 2014-15.
- Funding from the Capital Projects Fund is provided in FY 2010-11 through FY 2014-15. This is subject to actual interest earnings in the fund, based on current yields and unspent project balances. Due to lower interest rates, we project approximately \$250,000 to be available each year.
- The Stormwater Fund contributes \$2,560,000 to the FY 2010-11 capital budget. In order to fund planned projects over the CIP horizon, the CIP includes inflationary rate adjustments between FY 2010-11 and FY 2014-15 (assumed at 2.5%).
- The Sanitary Sewer Fund provides \$10,000 in fund balance to the FY 2010-11 capital budget. In order to provide funding for future capital improvements and debt service, the CIP includes inflationary rate adjustments between FY 2010-11 and FY 2014-15 (assumed at 2.5%).
- The Parking Enterprise Fund provides \$15,000 for the installation of pay-in-lane machines.
- The City's Tax Increment Finance Districts in the Central Business District and West End contribute \$2,561,007 and \$970,000 respectively in FY 2010-11 capital budget.
- The CIP includes \$4,000,000 from the Greenville Water System, \$1,250,000 from the Greenville Transit Authority, and \$500,000 from the Greenville Local Development Corporation to support the purchase and renovation of the proposed City Operations Center.
- Other FY 2010-11 funding sources include \$580,000 in federal grants from the EPA, \$500,000 from the State "C" Funds Committee, and \$110,000 from the Sunday Alcohol Permits Fund.
- FY 2011-12 through FY 2014-15 of the CIP are planned based on revenues projected in the Five-Year Financial Forecast. Assumptions regarding economic conditions could change in upcoming years and may mean the City could realize more or less revenue than forecasted. As a result, projects scheduled could be adjusted based on forecasted revenues. Please note that the Five-Year Financial Forecast and the CIP are living documents that are subject to change based on economic conditions and changing City priorities.

Major Points of Interest - Projects

In FY 2010-11, the City of Greenville will appropriate \$25,191,507 for projects encompassing areas such as roads and bridges, streetscapes, sanitary sewer, stormwater, parks and recreation, economic development, neighborhood revitalization, public safety, parking, and general government. The following section details projects funded in the FY 2011-15 Capital Improvement program.

Roads and Bridges

- Street resurfacing is funded at \$150,000 in FY 2010-11. This will enable the City to tap the Greenville County Transportation Committee's resurfacing match. Due to current economic conditions, the Bike Lane Program and NSTEP are suspended until FY 2011-12. Work will continue, however, as the City utilizes existing balances in both projects.
- In FY 2010-11, \$500,000 is proposed for the rehabilitation of Hudson Street and Westfield Street in advance of the opening of the AJ Whittenberg School and the Kroc Center.
- Funding is included in FY 2011-12, FY 2012-13, and FY 2013-14 for the City's match for the first phase of Salters Road Improvements.

Streetscapes

- Funding of \$762,000 is redirected from the Rhett Street project temporarily to support economic development initiatives in the West End. In future years, funding has been provided to implement a phased rehabilitation of the street. The phased approach has modified the amount of funds necessary for the project.
- Funding of \$250,000 is redirected from the East McBee Avenue Improvements project to the Brown Street Improvements project. The redirected funds from East McBee Avenue are restored in FY 2011-12.

Sanitary Sewers

- An additional \$560,000 in rehabilitation is authorized for Haynie-Sirrine and Faris Circle.

Stormwater

- Projects scheduled for funding in FY 2010-11 include \$5,670,000 in Henderson Basin, \$150,000 in basin evaluation on Fairforest Way, \$60,000 in basin evaluation in the White Oak area, and \$40,000 to design a culvert replacement at Pinehurst and Windsor Drives in North Main.

Parks and Recreation

- Funding is included to continue the development of the Swamp Rabbit Trail. An additional \$180,000 is proposed for the Riverwalk to Greenville Tech project to finish the Sliding Rock Creek trail and \$265,000 is included to design and construct the River Street Underpass. In order to provide funding for these projects, design and construction on the final segment of the Swamp Rabbit Trail (from Pleasantburg to I-85) is pushed back one year from last year's CIP.
- Annual funding of \$100,000 is continued through FY 2011-12 to incrementally replace funds that were moved from the Community Center Building Improvements project to facilitate the construction of the Riverwalk to Greenville Tech project.
- Funding from the Central Business District (CBD) TIF will be appropriated for the replacement of Main Street's trees. Funding in FY 2010-11 through FY 2014-15 is \$150,000 annually.
- Funding of \$15,000 is included in FY 2010-11 to design renovations for the City's park restrooms. Funding is proposed in future years to begin that project. Due to the higher priority placed on park restrooms instead of park playgrounds, funding is no longer included for park playground replacement.

Economic Development

- A number of economic development projects will continue to move forward in FY 2010-11 that will shape the physical landscape of our City and provide increased development opportunities. Projects including Pendleton West and City Hall Plaza will not require new funding while construction continues and the scope of work is defined.
- Funding is redirected temporarily from the Rhett Street and RiverPlace IIB projects to fund a \$2,500,000 property acquisition project in the West End.
- Funding of \$1,250,000 is included in FY 2010-11 for the Peace Center's renovation project. This is part of a two-year commitment approved by City Council in January.
- An allocation of \$75,000 is made for continued efforts to revitalize the City's commercial corridors.
- In FY 2011-12, funding of \$3,000,000 is dedicated to the Piazza Bergamo project.
- In FY 2011-12, funding is included to renovate the Carolina First Center's conference center, parking lots, and HVAC systems.

Neighborhood Revitalization

- Federal funding of \$580,000 is appropriated for the Mount Eustis Street Improvements project.
- Unspent funding continues for existing projects including the Jesse Jackson Townhomes/HOPE VI, Green Avenue Phase II, and West Greenville Phase II.

Public Safety

- The General Obligation bond proposed for fire facilities in 2010 is cancelled due to changing project scope and requirements. The East Area Fire Station is deferred until FY 2011-12 to reflect these changes.
- The scope of the Drill Tower project is revised to rehabilitate the tower rather than replace it. This will allow a \$450,000 reduction in the project's budget. As a result, the project will be funded with current revenues rather than debt.
- The capital budget also continues the third year of a five-year program to replace deteriorating fire alarm wires in the Central Business District. In FY 2010-11, \$50,000 is allocated to support this effort.

Parking

- In FY 2010-11, \$691,507 is recommended to rehabilitate concrete and modernize the Commons Garage. This will extend the useable life of one of the City's oldest parking facilities. Future year rehabilitations are planned at the Church Street and Liberty Square garages. In order to finance these improvements while maintaining the current financial position of the Parking Fund, TIF and hospitality-tax backed debt will be used instead of parking funds.
- Funding of \$300,000 is included in FY 2010-11 to complete implementation of the pay-in-lane program.

General Government

- In FY 2010-11, \$13,750,000 is included to purchase the former Hitachi plant and convert it into the City Operations Center for Public Works, Parks and Recreation, and Transit. In order to cover the additional debt service and operating costs related to the facility, a \$4.16 increase in the solid waste fee is recommended. The City Operations Center will allow the City to consolidate several functions into one central facility. It will allow the City to mitigate flood risk currently posed to the current Public Works facility and promote redevelopment of several parcels throughout the community.
- A \$3,300,000 energy efficiency improvements project is proposed, including a \$3,030,000 performance contract. The performance contract will be repaid with the projected energy savings resulting from the project. A one-time pay-down of \$270,000 is needed in the first year in order to finance all of the projects proposed.

Document Format

The following information is contained in this document:

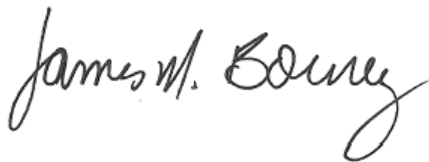
- CIP Schedule I is a summary schedule by major revenue source and project category.
- CIP Schedule I-A is a summary schedule of projects. The first column (Committed Funding) represents the amount of committed funding that has been appropriated to the project in prior years. The second column (Remaining Funding) represents the available balance in each project as of January 31, 2010. The third column (FY 10/11 Capital Budget) is the FY 2010-11 capital budget. The next four columns are "planning years" only, and are subject to formal appropriation. The final column (Total) represents the total project costs. This total is calculated by adding committed funding and FY 2010-11 through FY 2014-15 funding. The remaining funding column is included for informational purposes only.
- CIP Schedule II lists projects by applicable funding sources. Columns are the same as in CIP Schedule I, with the exclusion of the remaining funding column.

- CIP Schedule III lists projects by funding sources and then by project. Schedule III reconciles to Schedules I and II.
- CIP Schedule IV summarizes the projected additional operating and personnel impact for projects included in this CIP. Please note that this is subject to the availability of funds in the Annual Operating Budget process.
- Just as important as what this CIP includes is what it does not include. Schedule V lists all the projects that were not included in this CIP along with their requested funding levels. Projects that are not funded could be funded in future years should unanticipated revenues be realized or if grants are received from federal or state agencies.
- Schedules VI and VII demonstrate how the CIP implements the City's strategic goals and comprehensive plan.
- Project description sheets follow the seven schedules. These sheets show the projects and their funding sources in greater detail, with a brief description of each project.
- Included in the Appendix is a projection of legal debt margin.

Conclusion

In closing, the FY 2011-15 Capital Improvement Program addresses a number of the City's long-term needs, while balancing those needs with available revenues. The City will continue to search for grants and other non-local revenue sources to finance projects while planning for future capital needs. We believe the CIP provides significant improvements throughout the City in a variety of areas. These improvements support ongoing economic development and continue the high quality of life expected from the City of Greenville.

Sincerely,



James M. Bourey,
City Manager